

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

May 24, 2005

LB 126A, 126

unique financial impact on Class VI schools. There were three areas of potential concern. The first area was teacher salaries. In trying to determine the financial impact, the evidence indicated that salary schedules for Class I districts in Class VI systems are not, on the average, lower than the Class VI salary schedule. So it was felt that no financial adjustment was needed there. The next issue was transportation, which was addressed in the compromise amendment to LB 126, the most recent one, by eliminating the transportation requirements for high school students in all classes of school districts. Mind you, we did not eliminate the ability to transport those students, or the reimbors...reimbursement, rather, in the state aid formula. The third and final area was the loss of REAP money--Rural Education Achievement Program. REAP grants are federal grants for the REAP program, and are designed to assist school districts with fewer than 600 students, that are located in rural areas. There are five Class VI systems currently, receive grants based on the sizes of districts within the system, but will not qualify as an assimilated district because there are more than 600 students in the system. And this group was...is, in fact, the focus of this financial reimbursement program. The way the grant works is that each qualifying district receives \$20,000, minus the amount received from other specified federal programs. If the qualifying district has more than 50 students, the district then receives an additional \$100 for each student over the 50-student threshold. So the base amount is \$20,000 for 50 students. If you have less than 50 students, you don't take anything off of the \$20,000. If you have more than 50 students, up to 600, there's an additional \$100 per student, up to that amount. You'll hear that there are other school systems that will lose REAP funding due to assimilation. However, most of these systems will continue to qualify for the \$20,000 base and the additional \$100 per student over 50 students. And just a quick side comment there, keep in mind that the modal, if that's the right statistical term, size of a K-12 district in Nebraska is less than 300 students. So the typical K-12 system in Nebraska has less than 600 students and would qualify, at least under the \$20,000 plus \$100 per student. The districts that were the focus of the compromise amendment were both the high school district and the Class I districts, currently qualify, and the assimilation would cause a